

**WRIGHT TOWNSHIP  
HILLSDALE COUNTY, MICHIGAN  
ANNUAL FINANCIAL REPORT  
MARCH 31, 2008**

**WRIGHT TOWNSHIP  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED MARCH 31, 2008**

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**39 – 40**

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF C.P.A.'s  
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

September 25, 2008

Township Board  
Wright Township  
Hillsdale County  
112 Water St.  
Waldron, MI 49288

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wright Township, Waldron, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Wright Township, Waldron, Michigan, management. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wright Township, Waldron, Michigan, as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

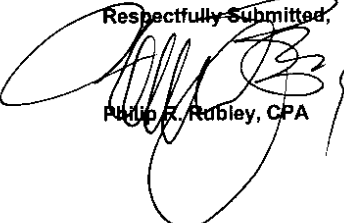
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wright Township, Waldron, Michigan basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**Wright Township**  
**September 25, 2008**

The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2008, on our consideration of the Township's internal control over financial reporting and our tests of compliance and other matters with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Respectfully Submitted,



Philip A. Rubley, CPA

FRR/cab

**WRIGHT TOWNSHIP**  
**Management's Discussion and Analysis**  
**March 31, 2008**

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**Using This Annual Report**

The annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of Wright Township government-wide basis. They are designed to present a longer-term view of the Township's finances. Fund financial statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

**Overview Of The Financial Statements**

The Township's basic financial statements are comprised of three components:

- A) Government-wide financial statements.
- B) Fund financial statements.
- C) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Township maintains 3 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and fire fund, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

**Proprietary Funds.** The Township maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. This fund accounts for their sewer fund activity.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**WRIGHT TOWNSHIP**  
**Management's Discussion and Analysis**  
**March 31, 2008**

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**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories; governmental funds, proprietary fund and fiduciary fund.

**Notes To The Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, other functions and interest expense.

**Other Information**

The Township has reported under required supplementation information, information about the General Fund and Major Type Funds, and Combining Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Type Governmental Funds.

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**WRIGHT TOWNSHIP**  
**Management's Discussion and Analysis**  
**March 31, 2008**

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**The Township As A Whole**

The Township's net assets for the year ended March 31, 2008 increased over the prior year. The increase is mostly created from grant revenue received from the USDA Rural Development for the Sewer Project.

The governmental activities reflect net assets of \$740,745 and the business-type activities reflect net assets of \$4,013,142.

The Township's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire these assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



**WRIGHT TOWNSHIP**  
**Management's Discussion and Analysis**  
**March 31, 2008**

| <b>WRIGHT TOWNSHIP NET ASSETS</b>                           |                         |                         |
|---|-------------------------|-------------------------|
| <b><u>Governmental Activities</u></b>                       |                         |                         |
|   | <b><u>2008</u></b>      | <b><u>2007</u></b>      |
| <b><u>Revenue</u></b>                                       |                         |                         |
| Program Revenue:  |                         |                         |
| Charges for Services  | \$157,190               | \$104,737               |
| Operating Grants and Contributions                          | ---                     | 22,512                  |
| Capital Grants and Contributions                            | 3,500                   | 4,895                   |
| General Revenue:  |                         |                         |
| Property Taxes and Special Assessments                      | 130,133                 | 125,756                 |
| Grants and Contributions Not Restricted To Specific Program | 85,997                  | 81,741                  |
| Interest and Rentals Earnings                               | 10,111                  | 9,880                   |
| <b>Total Revenue</b>  | <b><u>386,931</u></b>   | <b><u>349,521</u></b>   |
| <b><u>Expenses</u></b>                                      |                         |                         |
| General Government  | 72,064                  | 73,474                  |
| Public Safety   | 96,845                  | 97,472                  |
| Public Works  | 123,462                 | 53,397                  |
| Other Functions and Interest Paid                           | 13,706                  | 15,688                  |
| <b>Total Expenses</b>                                       | <b><u>306,077</u></b>   | <b><u>240,031</u></b>   |
| <b>Increase In Net Assets</b>                               | <b>80,854</b>           | <b>109,490</b>          |
| <b>Net Assets Beginning of Year</b>                         | <b><u>659,891</u></b>   | <b><u>550,401</u></b>   |
| <b>Net Assets End of Year</b>                               | <b><u>\$740,745</u></b> | <b><u>\$659,891</u></b> |
| <br>  |                         |                         |
|   | <b><u>2008</u></b>      | <b><u>2007</u></b>      |
| <b><u>Assets</u></b>  |                         |                         |
| Current and Other Assets                                    | \$544,723               | \$472,374               |
| Capital Assets  | 196,263                 | 227,336                 |
| <b>Total Assets</b>   | <b><u>\$740,986</u></b> | <b><u>\$699,710</u></b> |
| <br>  |                         |                         |
| <b><u>Liabilities</u></b>                                   |                         |                         |
| Long-Term Liabilities Outstanding                           | \$ ---                  | \$ 38,695               |
| Other Liabilities   | 241                     | 1,124                   |
| <b>Total Liabilities</b>                                    | <b><u>241</u></b>       | <b><u>39,819</u></b>    |
| <br>  |                         |                         |
| <b><u>Net Assets</u></b>                                    |                         |                         |
| Invested in Capital Assets, Net of Related Debt             | 196,263                 | 188,641                 |
| Unrestricted  | 404,903                 | 316,538                 |
| Restricted  | 139,579                 | 154,712                 |
| <b>Total Net Assets</b>                                     | <b><u>\$740,745</u></b> | <b><u>\$659,891</u></b> |

**WRIGHT TOWNSHIP**  
**Management's Discussion and Analysis**  
**March 31, 2008**

| <b>WRIGHT TOWNSHIP NET ASSETS</b>                  |  |                           |
|--|--|---------------------------|
|  | <b><u>Business-Type Activities</u></b> |                           |
|  | <b><u>2008</u></b>                     | <b><u>2007</u></b>        |
| <b><u>Non-Operating Revenue</u></b>                |  |                           |
| Special Assessments and Usage Fees                 | \$ 26,654                              | \$ 6,436                  |
| Grants   | 412,000                                | 2,305,700                 |
| Interest Income                                    | 6,348                                  | 59,839                    |
| <b>Total Non-Operating Revenue</b>                 | <b><u>445,002</u></b>                  | <b><u>2,371,975</u></b>   |
| <b><u>Non-Operating Expenses</u></b>               |  |                           |
| Interest Expense/Bond Issuance Costs               | 1,598                                  | 36,676                    |
| Other  | 56,024                                 | 257                       |
| <b>Total Non-Operating Expense</b>                 | <b><u>57,622</u></b>                   | <b><u>36,933</u></b>      |
| <b>Increase In Net Assets</b>                      | <b>387,380</b>                         | <b>2,335,042</b>          |
| <b>Net Assets Beginning of Year</b>                | <b><u>3,685,762</u></b>                | <b><u>1,290,720</u></b>   |
| <b>Net Assets End of Year</b>                      | <b><u>\$4,073,142</u></b>              | <b><u>\$3,625,762</u></b> |
|  | <b><u>2008</u></b>                     | <b><u>2007</u></b>        |
| <b><u>Assets</u></b>                               |  |                           |
| Current and Other Assets                           | \$1,362,845                            | \$1,364,082               |
| Capital Assets                                     | 3,890,618                              | 3,626,738                 |
| <b>Total Assets</b>                                | <b><u>\$5,253,463</u></b>              | <b><u>\$4,990,820</u></b> |
| <b><u>Liabilities</u></b>                          |  |                           |
| Long-Term Liabilities Outstanding                  | \$1,236,000                            | \$1,260,000               |
| Other Liabilities                                  | 4,321                                  | 105,058                   |
| <b>Total Liabilities</b>                           | <b><u>1,240,321</u></b>                | <b><u>1,365,058</u></b>   |
| <b><u>Net Assets</u></b>                           |  |                           |
| Invested in Capital Assets,<br>Net of Related Debt | 2,654,618                              | 2,366,738                 |
| Unrestricted                                       | 1,170,467                              | 1,259,024                 |
| Restricted   | 188,057                                | ---                       |
| <b>Total Net Assets</b>                            | <b><u>\$4,013,142</u></b>              | <b><u>\$3,625,762</u></b> |

**WRIGHT TOWNSHIP**  
**Management's Discussion and Analysis**  
**March 31, 2008**

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**Government Activities**

Government activities increased the Township's net assets by \$80,824.

**The Township's Funds**

Our analysis of the Township's funds begins on Page 9, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Trustee Board and management creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, etc.

**General Fund Budgetary Highlights**

There are no significant differences between the original budget and amended budget.

**Capital Assets And Debt Administration**

The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2008, amounted to \$4,086,881 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment.

Long-term debt of the Township decreased by \$62,695 (see Note 7 of the basic financial statements).

**Economic Factors And Next Year's Budget And Rates**

The Township's budget for 2008-2009 fiscal year has taken in consideration, the economic condition of the State of Michigan anticipating reduced state share revenues. This will require close tabs on expenditures for the upcoming year and adjustments will be made to mirror, when possible, the revenue base, with expenses.

**Contacting The Townships Management**

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at 112 Water St., Waldron, Michigan 49288.

**WRIGHT TOWNSHIP**  
**Government-wide Statement of Net Assets**  
**March 31, 2008**

|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>              |
|--|------------------------------------|-------------------------------------|---------------------------|
| <b><u>Assets</u></b>                               |                                    |                                     |                           |
| Cash and Equivalents                               | \$519,945                          | \$ 251,551                          | \$ 771,496                |
| Receivables - Net                                  | 16,563                             | 1,044,506                           | 1,061,069                 |
| Prepaid Items and<br>Other Assets                  | 8,215                              | 66,788                              | 75,003                    |
| Capital Assets Not<br>Being Depreciated            | 31,500                             | 52,000                              | 83,500                    |
| Capital Assets Being<br>Depreciated - Net          | <u>164,763</u>                     | <u>3,838,618</u>                    | <u>4,003,381</u>          |
| <b>Total Assets</b>                                | <b><u>\$740,986</u></b>            | <b><u>\$5,253,463</u></b>           | <b><u>\$5,994,449</u></b> |
| <b><u>Liabilities</u></b>                          |                                    |                                     |                           |
| Accounts Payable and<br>Accrued Expenses           | \$ 241                             | \$ 4,321                            | \$ 4,562                  |
| Long-Term Liabilities:                             |                                    |                                     |                           |
| Due Within One Year                                | ---                                | 32,000                              | 32,000                    |
| Due In More Than One Year                          | <u>---</u>                         | <u>1,204,000</u>                    | <u>1,204,000</u>          |
| <b>Total Liabilities</b>                           | <b><u>241</u></b>                  | <b><u>1,240,321</u></b>             | <b><u>1,240,562</u></b>   |
| <b><u>Net Assets</u></b>                           |                                    |                                     |                           |
| Invested In Capital Assets,<br>Net of Related Debt | 196,263                            | 2,654,618                           | 2,850,881                 |
| Unrestricted                                       | 404,903                            | 1,170,467                           | 1,575,370                 |
| Restricted   | <u>139,579</u>                     | <u>188,057</u>                      | <u>327,636</u>            |
| <b>Total Net Assets</b>                            | <b><u>\$740,745</u></b>            | <b><u>\$4,013,142</u></b>           | <b><u>\$4,753,887</u></b> |

The notes to financial statements are an integral part of this statement.

Page 9

**WRIGHT TOWNSHIP**  
**Government-wide Statement of Activities**  
**For The Year Ended March 31, 2008**

| <u>Functions/Programs</u>                 | <u>Expenses</u>  | <u>Charges For<br/>Services</u> | <u>Operating<br/>Grants And<br/>Contributions</u> | <u>Capital<br/>Grants And<br/>Contributions</u> | <u>Net<br/>(Expenses)<br/>Revenues</u> |
|---|------------------|---------------------------------|---|---|--|
| <b><u>Governmental Activities:</u></b>    |                  |                                 |   |   |  |
| General Government                        | \$ 72,064        | \$ 26,102                       | \$ ---  | \$ ---  | \$ (45,962)                            |
| Public Safety                             | 96,845           | 131,088                         | ---   | 3,500   | 37,743                                 |
| Public Works                              | 123,462          | ---                             | ---   | ---   | (123,462)                              |
| Other Functions                           | 13,327           | ---                             | ---   | ---   | (13,327)                               |
| Interest on<br>Long-Term Debt             | 379              | ---                             | ---   | ---   | (379)                                  |
| <b>Total Governmental<br/>Activities</b>  | <u>306,077</u>   | <u>157,190</u>                  | <u>---</u>  | <u>3,500</u>                                    | <u>(145,387)</u>                       |
| <b><u>Business-Type Activities:</u></b>   |                  |                                 |   |   |  |
| Utilities                                 | 56,024           | 23,229                          | ---   | 415,425   | 382,630                                |
| Interest on<br>Long-Term Debt             | 1,598            | ---                             | ---   | ---   | (1,598)                                |
| <b>Total Business-Type<br/>Activities</b> | <u>57,622</u>    | <u>23,229</u>                   | <u>---</u>  | <u>415,425</u>                                  | <u>381,032</u>                         |
| <b>Total</b>                              | <u>\$363,699</u> | <u>\$180,419</u>                | <u>\$ ---</u>                                     | <u>\$418,925</u>                                | <u>\$ 235,645</u>                      |

The notes to financial statements are an integral part of this statement.

**WRIGHT TOWNSHIP**  
**Government-wide Statement Of Activities (Concluded)**  
**For The Year Ended March 31, 2008**

|  | <b><u>Governmental<br/>Activities</u></b> | <b><u>Business-Type<br/>Activities</u></b> | <b><u>Total</u></b> |
|--|---|--|---------------------|
| <b><u>Changes In Net Assets</u></b>                            |   |  |                     |
| Net Revenue (Expense) Revenue                                  | \$(145,387)                               | \$ 381,032                                 | \$ 235,645          |
| General Revenues:  |   |  |                     |
| Property Taxes and Assessments                                 | 130,133                                   | ---  | 130,133             |
| Grants and Contributions                                       |   |  |                     |
| Not Restricted To  |   |  |                     |
| Specific Programs  | 85,997                                    | ---  | 85,997              |
| Unrestricted Investment  |   |  |                     |
| Earnings and Rentals   | <u>10,111</u>                             | <u>6,348</u>                               | <u>16,459</u>       |
| <b>Total General Revenues,<br/>Contributions and Transfers</b> | <u>226,241</u>                            | <u>6,348</u>                               | <u>232,589</u>      |
| <br><b>Change In Net Assets</b>                                | <br>80,854                                | <br>387,380                                | <br>468,234         |
| <b>Net Assets, Beginning of Year</b>                           | <u>659,891</u>                            | <u>3,625,762</u>                           | <u>4,285,653</u>    |
| <b>Net Assets, End of Year</b>                                 | <u>\$ 740,745</u>                         | <u>\$4,013,142</u>                         | <u>\$4,753,887</u>  |

The notes to financial statements are an integral part of this statement.

**WRIGHT TOWNSHIP**  
**Governmental Funds**  
**Balance Sheet**  
**March 31, 2008**

|  | <b>General<br/>Fund</b> | <b>Fire<br/>Fund</b> | <b>Other<br/>Non-Major<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|----------------------|---|---|
| <b><u>ASSETS</u></b>                           |                         |                      |   |   |
| Cash and Cash                                  |                         |                      |   |   |
| Equivalents                                    | \$297,373               | \$222,277            | \$ 295  | \$519,945                               |
| Prepaid Expenses                               | 7,059                   | 1,156                | ---   | 8,215                                   |
| Receivables - Net                              | 16,563                  | ---                  | ---   | 16,563                                  |
| Due From Other Funds                           | ---                     | ---                  | ---   | ---                                     |
| <b>Total Assets</b>                            | <b>\$320,995</b>        | <b>\$223,433</b>     | <b>\$ 295</b>   | <b>\$544,723</b>                        |
| <b><u>LIABILITIES</u></b>                      |                         |                      |   |   |
| Accounts Payable/                              |                         |                      |   |   |
| Accrued Liabilities                            | \$ 241                  | \$ ---               | \$ ---  | \$ 241                                  |
| Deferred Revenue                               | 73                      | ---                  | ---   | 73                                      |
| <b>Total Liabilities</b>                       | <b>314</b>              | <b>---</b>           | <b>---</b>  | <b>314</b>                              |
| <b><u>FUND BALANCES</u></b>                    |                         |                      |   |   |
| Unreserved                                     | 181,102                 | 223,433              | 295   | 404,830                                 |
| Restricted - Roads                             | 139,579                 | ---                  | ---   | 139,579                                 |
| <b>Total Fund Balances</b>                     | <b>320,681</b>          | <b>223,433</b>       | <b>295</b>  | <b>544,409</b>                          |
| <b>Total Liabilities and<br/>Fund Balances</b> | <b>\$320,995</b>        | <b>\$223,433</b>     | <b>\$ 295</b>   | <b>\$544,723</b>                        |

**WRIGHT TOWNSHIP**  
**Reconciliation of Fund Balances On The Balance Sheet For Governmental Funds**  
**To Net Assets Of Governmental Activities On The Statement of Net Assets**  
**March 31, 2008**

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**Fund Balances – Total Governmental Funds** \$ 544,409

Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not  
financial resources and therefore are not reported in  
the funds.

**Add:** Capital Assets 453,329

**Deduct:** Accumulated Depreciation (257,066)

Revenue that has been billed as a receivable, but not collected  
until later years, was not reported in the funds.

**Add:** Deferred Revenue 73

**Net Assets of Governmental Activities** \$ 740,745



**WRIGHT TOWNSHIP**  
**Governmental Funds**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**For The Year Ended March 31, 2008**

|  | <u>General<br/>Fund</u> | <u>Fire<br/>Fund</u> | <u>Other<br/>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|----------------------|---|---|
| <b><u>REVENUES</u></b>                                 |                         |                      |   |   |
| Taxes and Assessments                                  | \$130,153               | \$ ---               | \$ ---  | \$130,153                               |
| Intergovernmental                                      | 85,997                  | ---                  | ---   | 85,997                                  |
| Other Governments                                      | ---                     | 19,345               | ---   | 19,345                                  |
| Charges for Services                                   | 13,740                  | 109,279              | ---   | 123,019                                 |
| Interest   | 5,810                   | 4,300                | 1   | 10,111                                  |
| Other  | 12,362                  | 2,464                | ---   | 14,826                                  |
| Grant Revenue  | ---                     | 3,500                | ---   | 3,500                                   |
| <b>Total Revenue</b>                                   | <u>248,062</u>          | <u>138,888</u>       | <u>1</u>  | <u>386,951</u>                          |
| <b><u>EXPENDITURES</u></b>                             |                         |                      |   |   |
| Current:   |                         |                      |   |   |
| General Government                                     | 69,571                  | ---                  | 58  | 69,629                                  |
| Public Safety  | ---                     | 104,228              | ---   | 104,228                                 |
| Public Works   | 123,462                 | ---                  | ---   | 123,462                                 |
| Capital Outlay   | ---                     | 2,674                | ---   | 2,674                                   |
| Other Functions  | 14,626                  | ---                  | ---   | 14,626                                  |
| <b>Total Expenditures</b>                              | <u>207,659</u>          | <u>106,902</u>       | <u>58</u>   | <u>314,619</u>                          |
| <b>Excess of Revenue Over<br/>(Under) Expenditures</b> | 40,403                  | 31,986               | (57)  | 72,332                                  |
| <b><u>Other Financing Sources (Uses)</u></b>           |                         |                      |   |   |
| Transfers In   | ---                     | 12,000               | ---   | 12,000                                  |
| Transfers (Out)  | (12,000)                | ---                  | ---   | (12,000)                                |
| <b>Total Other Financing<br/>Sources (Uses)</b>        | <u>(12,000)</u>         | <u>12,000</u>        | <u>---</u>  | <u>---</u>                              |
| <b>Net Change in Fund Balances</b>                     | 28,403                  | 43,986               | (57)  | 72,332                                  |
| <b>Fund Balances – Beginning of Year</b>               | <u>292,278</u>          | <u>179,447</u>       | <u>352</u>  | <u>472,077</u>                          |
| <b>Fund Balances – End of Year</b>                     | <u>\$320,681</u>        | <u>\$223,433</u>     | <u>\$ 295</u>   | <u>\$544,409</u>                        |

The notes to financial statements are an integral part of this statement.

**WRIGHT TOWNSHIP**  
**Reconciliation Of The Statement Of Revenues, Expenditures,**  
**And Changes In Fund Balances Of Governmental Statement Of Activities**  
**March 31, 2008**

---

**Net Change In Fund Balances – Total Governmental Funds** \$ 72,332

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

**Deduct:** Depreciation Expense (33,747)

Capital assets used in governmental activities are added back to the governmental activities and depreciated.

**Add:** Capital Assets 2,674

Revenue deferred on the governmental funds report, which has been charged to receivable and thus income on the statement of activities.

**(Less):** Deferred Revenue Other adjustments (20)

Interest due on the governmental activities note payable is accrued as a expenditure on the government-wide financial statement.

**Add:** Accrued Interest 920

Payment on the debt is reflected as a expense on the fund statement but is a reduction in liabilities, or notes payable on the government-wide financial statement.

**Add:** Principal Payment on Note 38,695

**Change In Net Assets Of Governmental Activities** \$ 80,854

**WRIGHT TOWNSHIP**  
**Statement of Net Assets**  
**Proprietary Funds**  
**March 31, 2008**

|  | <b>Business-Type Activities -<br/>Enterprise Fund</b> |
|--|---|
|  | <b><u>Sewer Fund</u></b>                              |
| <b>Assets</b>  |   |
| Current Assets:  |   |
| Cash and Cash Equivalents  | \$ 63,494   |
| Special Assessment Receivable  | 124,408   |
| Due from County - Delinquent   |   |
| Special Assessments  | 13,853  |
| Bond Issuance Costs - Current Portion  | <u>1,758</u>  |
| <b>Total Current Assets</b>  | <u>203,513</u>  |
| Noncurrent Assets:   |   |
| Capital Assets (Net of Depreciation)   | 3,890,618   |
| Special Assessment Receivable  | 906,245   |
| Bond Issuance Costs  | 65,030  |
| Cash - Restricted - Retirement   | 168,057   |
| Cash - Restricted - Reserve  | <u>20,000</u>   |
| <b>Total Noncurrent Assets</b>   | <u>5,049,950</u>                                      |
| <b>Total Assets</b>  | <u>\$5,253,463</u>                                    |
| <b>Liabilities</b>   |   |
| Current Liabilities:   |   |
| Accrued Liabilities  | \$ 4,321  |
| Special Assessment Bonds,  |   |
| Series 2006 - Current Portion  | <u>32,000</u>   |
| <b>Total Current Liabilities</b>   | <u>36,321</u>   |
| Long-Term Liabilities:   |   |
| Special Assessment Bonds, Series 2006  | <u>1,204,000</u>                                      |
| <b>Total Liabilities</b>   | <u>1,240,321</u>                                      |
| <b>Net Assets</b>  |   |
| Invested in Capital Assets,  |   |
| Net of Related Debt  | 2,654,618   |
| Restricted - Retirement  | 168,057   |
| Restricted - Reserve   | 20,000  |
| Unrestricted   | <u>1,170,467</u>                                      |
| <b>Total Net Assets</b>  | <u>4,013,142</u>                                      |
| <b>Net Assets of Business-Type Activities on the<br/>Government-Wide Statement of Net Assets</b> | <u>\$5,253,463</u>                                    |

The notes to financial statements are an integral part of this statement.

**WRIGHT TOWNSHIP**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For The Year Ended March 31, 2008**

|  | <b>Business-Type Activities -<br/>Enterprise Fund</b> |
|--|---|
|  | <b><u>Sewer Fund</u></b>                              |
| <b>Operating Revenues</b>                      |   |
| Sewer Usage Fees                               | \$ 21,136   |
| Other Income                                   | <u>2,093</u>  |
| <b>Total Operating Revenues</b>                | <u>23,229</u>   |
| <b>Operating Expenses</b>                      |   |
| Operating and Maintenance                      | 30,261  |
| Depreciation                                   | <u>25,763</u>   |
| <b>Total Operating Expenses</b>                | <u>56,024</u>   |
| <b>Operating (Loss)</b>                        | <u>(32,795)</u>                                       |
| <b>Non-Operating Revenues/Expenses</b>         |   |
| Special Assessments                            | 3,425   |
| Grant Revenue - Federal                        | 412,000   |
| Interest Income                                | 6,348   |
| Interest Expense                               | <u>(1,598)</u>  |
| <b>Total Non-Operating Revenues (Expenses)</b> | <u>420,175</u>  |
| <b>Change in Net Assets</b>                    | 387,380   |
| <b>Net Assets, Beginning of Year</b>           | <u>3,625,762</u>                                      |
| <b>Net Assets, End of Year</b>                 | <u>\$4,013,142</u>                                    |

The notes to financial statements are an integral part of this statement.

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**WRIGHT TOWNSHIP**  
**Reconciliation Of The Statement Of Revenues, Expenditures, To The Statement Of Activities**  
**March 31, 2008**

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|   |                  |
|---|------------------|
| <b>Change In Net Assets – All Enterprise Funds</b>      | \$387,380        |
| No additional adjustments                               | <u>---</u>       |
| <b>Change In Net Assets Of Business-Type Activities</b> | <u>\$387,380</u> |

**WRIGHT TOWNSHIP**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended March 31, 2008**

|   | <b>Business-Type Activities -<br/>Enterprise Fund</b> |
|---|---|
|   | <b><u>Sewer Fund</u></b>                              |
| <b>Cash Flows From Capital and<br/>Related Financing Activities</b>     |   |
| Special Assessment Revenue  | \$ 3,425  |
| Grants  | 412,000   |
| Sewer Usage Fees  | 21,136  |
| Other Income  | 2,093   |
| Expenses Incurred   | <u>(29,047)</u>                                       |
| <b>Net Cash (Used) by Capital and<br/>Related Financing Activities)</b> | <u>409,607</u>  |
| <b>Cash Flows From Investing Activities</b>                             |   |
| Investment Income   | 6,348   |
| Purchase of Capital Assets  | (289,643)   |
| Retainage Payable   | <u>(100,577)</u>                                      |
| <b>Net Cash Provided (Used) by Investing Activities</b>                 | <u>(383,872)</u>                                      |
| <b>Cash Flows From Financing Activities</b>                             |   |
| Special Assessment Bonds, Principal Payments                            | (24,000)  |
| Special Assessment Receivable   | 124,409   |
| Restricted and Reserve Cash   | <u>(188,057)</u>                                      |
| <b>Net Cash Provided (Used) by Financing Activities</b>                 | <u>(87,648)</u>                                       |
| <b>Net (Decrease) in Cash and<br/>Cash Equivalents</b>                  | (61,913)  |
| <b>Cash and Cash Equivalents, Beginning of Year</b>                     | <u>125,407</u>  |
| <b>Cash and Cash Equivalents, End of Year</b>                           | <u>\$ 63,494</u>                                      |
| <b>Reconciliation to Statement of Net Assets</b>                        |   |
| Cash and Cash Equivalents   | <u>\$ 63,494</u>                                      |

The notes to financial statements are an integral part of this statement.

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**WRIGHT TOWNSHIP**  
**Statement of Cash Flows (Concluded)**  
**Proprietary Funds**  
**For The Year Ended March 31, 2008**

|  | <b>Business-Type Activities -<br/>Enterprise Fund</b> |
|--|---|
|  | <b><u>Sewer Fund</u></b>                              |
| <b>Reconciliation of Operating Income (Loss)<br/>to Net Cash Provided by Operating Activities:</b> |   |
| Operating Income   | \$ 387,380  |
| Depreciation   | 25,763  |
| Adjustments to Reconcile Operating<br>Income to Net Cash Provided<br>by Operating Activities:      |   |
| Changes in Assets and Liabilities:   |   |
| Accrued Liabilities  | (100,737)   |
| Current Assets   | <u>(94,072)</u>                                       |
| <b>Net Cash Provided (Used) by<br/>Operating Activities</b>  | <u>218,334</u>  |
| <b>Cash Flows From Investing Activities:</b>   |   |
| Purchase of Capital Assets   | <u>(289,643)</u>                                      |
| <b>Net Cash (Used) from Investing Activities</b>   | <u>(289,643)</u>                                      |
| <b>Cash Flows From Financing Activities:</b>   |   |
| Bond Anticipation Note Payable   | (24,000)  |
| Special Assessment Receivable  | 219,694   |
| Bond Issuance Costs  | 1,759   |
| Restricted and Reserve Cash  | <u>(188,057)</u>                                      |
| <b>Net Cash (Used) from Financing Activities</b>   | <u>9,396</u>  |
| <b>Net (Decrease) in Cash and Cash Equivalents</b>   | (61,913)  |
| <b>Cash and Cash Equivalents, Beginning of Year</b>  | <u>125,407</u>  |
| <b>Cash and Cash Equivalents, End of Year</b>  | <u>\$ 63,494</u>                                      |

The notes to financial statements are an integral part of this statement.

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Wright Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

**A. Reporting Entity**

Wright Township is governed by an elected board. The accompanying financial statements present the government for which government is considered to be financially accountable.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.



**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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Property taxes, franchise taxes, intergovernmental revenue licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

**The General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**The Fire Fund** is a special Revenue Fund that receives monies for contractual services and charges for the purpose of providing fire protection and Advanced and Basic Life Support Services to the community.

The government reports the following major proprietary fund:

**The Sewer Fund (Utilities)** is a proprietary type fund which accounts for activities of the government's waste water system.

Additionally, the government reports the following fund types:

The Agency Funds account for assets held by the Township acting as an agent for individuals, private organizations, other governments and/or other funds.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-side and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities and enterprise funds.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utilities fund are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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**D. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**E. Assets, Liabilities, and Net Assets or Equity**

1. **Bank Deposits and Investment** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loans associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

2. **Receivables and Payables** – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

3. **Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

4. **Inventories** – All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

5. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

---

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>                            | <u>Years</u> |
|--|--------------|
| Land Improvements                        | 20 - 50      |
| Building                                 | 10 - 50      |
| Machinery, Equipment,<br>And Furnishings | 5 - 35       |
| Utility Systems                          | 50 - 100     |
| Infrastructure                           | 15 - 100     |
| Vehicles                                 | 5 - 15       |

6. **Long-Term Obligations** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.
7. **Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. **Budgetary Information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

On or before the end of March of each year, the Township Board proposes a budget for review and holds public hearings and a final budget is adopted.

The appropriated budget is prepared by fund, function and activity. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is with the Board of Trustees.

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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**B. Excess of Expenditures Over Appropriations In Budgeted Funds** - P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. During the year ended March 31, 2008, the government did not incur expenditures in excess of amounts appropriated at the legal level of budgetary control.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

The Township has the following deposits which are carried at cost plus interest. The Township does not have a deposit policy. The Township investments are in accordance with statutory authority.

| <u>Depository Account</u>         | <u>Bank Balance</u> |
|-----------------------------------|---------------------|
| Insured                           | \$100,000           |
| Uninsured and<br>Uncollateralized | <u>671,496</u>      |
|                                   | <u>\$771,496</u>    |

**CUSTODIAL CREDIT RISK – DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2008 - \$671,496 of the Township's bank balance of \$771,496 was exposed to custodial risk.

A reconciliation of cash and investments as shown on the Statement of Net Assets and Statement of Fiduciary Net Assets to deposits and investments as classified for note disclosure purposes is as follows:

|                                 |                  |
|---------------------------------|------------------|
| <b>Statement of Net Assets:</b> |                  |
| Cash and Cash Equivalents       | <u>\$771,496</u> |

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the year ended March 31, 2008 was as follows:

|   | <b><u>Beginning<br/>Balance</u></b> | <b><u>Increases</u></b> | <b><u>Ending<br/>Decreases</u></b> | <b><u>Balance</u></b> |
|---|-------------------------------------|-------------------------|------------------------------------|-----------------------|
| <b><u>Governmental Activities</u></b>               |                                     |                         |                                    |                       |
| Capital Assets, Not<br>Being Depreciated:           |                                     |                         |                                    |                       |
| Land  | \$ 31,500                           | \$ ---                  | \$ ---                             | \$ 31,500             |
| <b>Total Capital Assets Not Being Depreciated</b>   | <u>31,500</u>                       | <u>---</u>              | <u>---</u>                         | <u>31,500</u>         |
| Capital Assets,<br>Being Depreciated:               |                                     |                         |                                    |                       |
| Buildings   | 76,718                              | ---                     | ---                                | 76,718                |
| Vehicles  | 155,000                             | ---                     | ---                                | 155,000               |
| Equipment   | 187,437                             | 2,674                   | ---                                | 190,111               |
| <b>Total Capital Assets Being Depreciated</b>       | <u>419,155</u>                      | <u>2,674</u>            | <u>---</u>                         | <u>421,829</u>        |
| Less Accumulated<br>Depreciation For:               |                                     |                         |                                    |                       |
| Buildings   | (52,343)                            | (1,875)                 | ---                                | (54,218)              |
| Vehicles  | (62,000)                            | (15,500)                | ---                                | (77,500)              |
| Equipment   | (108,976)                           | (16,372)                | ---                                | (125,348)             |
| <b>Total Accumulated Depreciation</b>               | <u>(223,319)</u>                    | <u>(33,747)</u>         | <u>---</u>                         | <u>(257,066)</u>      |
| <b>Total Capital Assets, Being Depreciated, Net</b> | <u>195,836</u>                      | <u>(31,073)</u>         | <u>---</u>                         | <u>164,763</u>        |
| <b>Governmental Activities Capital Assets, Net</b>  | <u>\$ 227,336</u>                   | <u>\$ (31,073)</u>      | <u>\$ ---</u>                      | <u>\$ 196,263</u>     |
| <b><u>Business-Type Activities</u></b>              |                                     |                         |                                    |                       |
| Capital Assets, Not<br>Being Depreciated:           |                                     |                         |                                    |                       |
| Land  | \$ 52,000                           | \$ ---                  | \$ ---                             | \$ 52,000             |
| <b>Total Capital Assets Not Being Depreciated</b>   | <u>52,000</u>                       | <u>---</u>              | <u>---</u>                         | <u>52,000</u>         |
| Capital Assets,<br>Being Depreciated:               |                                     |                         |                                    |                       |
| Sewer System  | 3,574,738                           | 289,643                 | ---                                | 3,864,381             |
| <b>Total Capital Assets Being Depreciated</b>       | <u>3,574,738</u>                    | <u>289,643</u>          | <u>---</u>                         | <u>3,864,381</u>      |
| Less Accumulated<br>Depreciation For:               |                                     |                         |                                    |                       |
| Sewer System  | ---                                 | (25,763)                | ---                                | (25,763)              |
| <b>Total Accumulated Depreciation</b>               | <u>---</u>                          | <u>(25,763)</u>         | <u>---</u>                         | <u>(25,763)</u>       |
| <b>Total Capital Assets Not Being Depreciated</b>   | <u>3,574,738</u>                    | <u>263,880</u>          | <u>---</u>                         | <u>3,838,618</u>      |
| <b>Business-Type Activities Capital Assets, Net</b> | <u>\$3,626,738</u>                  | <u>\$263,880</u>        | <u>\$ ---</u>                      | <u>\$3,890,618</u>    |

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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Depreciation expense was charged to functions/programs of the Township as follows:

|  |               |
|--|---------------|
| <b><u>Governmental Activities:</u></b> |               |
| General Government                     | \$ 2,435      |
| Public Safety                          | <u>31,312</u> |

|                                   |                 |
|-----------------------------------|-----------------|
| <b>Total Depreciation Expense</b> |                 |
| <b>Governmental Activities</b>    | <u>\$33,747</u> |

|   |                 |
|---|-----------------|
| <b><u>Business-Type Activities:</u></b> |                 |
| Utilities                               | <u>\$25,763</u> |

|                                   |                 |
|-----------------------------------|-----------------|
| <b>Total Depreciation Expense</b> |                 |
| <b>Business-Type Activities</b>   | <u>\$25,763</u> |

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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**NOTE 5 – TRANSFERS BETWEEN FUNDS**

At March 31, 2008, the following transfers were made between funds:

| <u>Fund</u>  | <u>Transfer In</u>     | <u>Transfer Out</u>    |
|--------------|------------------------|------------------------|
| General      | \$ ---                 | \$12,000               |
| Fire         | <u>12,000</u>          | <u>---</u>             |
| <b>Total</b> | <b><u>\$12,000</u></b> | <b><u>\$12,000</u></b> |

Transfers are used to (a) move revenues from the fund by statute or budget as required to collect them to the fund that statute or budget requires to expend them and (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 6 – PROPERTY TAXES**

The Township bills and collects property taxes and also taxes for the County and several School Districts within its jurisdiction. Collections and remittances of the County and School taxes are accounted for in the Current Tax Collection Agency Fund. Township property tax revenues are recognized as revenues in the fiscal year levied to the extent that they result in current receivables.

Property taxes attach as an enforceable lien on the property as of January 1.

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

**NOTE 7 – LONG-TERM DEBT**

Special Assessment Bonds, Series 2006 - United States Department of Agriculture (Rural Development) No. 1 (92-03).

Purpose: Sanitary Sewer Improvements - Lime Lake/Prattville.  
Date of Note: April 13, 2006.  
Interest Rate: 4.375% per annum, payable on September 1 and March 1 each year.  
Principle Payable: March 1 in accordance with schedule below.  
Amount of Issue: \$796,000.

| <u>Payment Date</u> | <u>Total</u> | <u>Interest</u> | <u>Principal</u> |
|---------------------|--------------|-----------------|------------------|
| September 1, 2008   | \$ 16,661    | \$ 16,661       | \$ ---           |
| March 1, 2009       | 36,661       | 16,661          | 20,000           |
| September 1, 2009   | 16,319       | 16,319          | ---              |
| March 1, 2010       | 36,318       | 16,318          | 20,000           |
| September 1, 2010   | 15,881       | 15,881          | ---              |
| March 1, 2011       | 35,881       | 15,881          | 20,000           |
| September 1, 2011   | 15,444       | 15,444          | ---              |
| March 1, 2012       | 35,444       | 15,444          | 20,000           |
| September 1, 2012   | 15,006       | 15,006          | ---              |
| March 1, 2013       | 35,006       | 15,006          | 20,000           |
| September 1, 2013   | 14,569       | 14,569          | ---              |
| March 1, 2014       | 34,569       | 14,569          | 20,000           |
| September 1, 2014   | 14,131       | 14,131          | ---              |
| March 1, 2015       | 34,131       | 14,131          | 20,000           |
| September 1, 2015   | 13,694       | 13,694          | ---              |
| March 1, 2016       | 33,694       | 13,694          | 20,000           |
| September 1, 2016   | 13,256       | 13,256          | ---              |
| March 1, 2017       | 33,256       | 13,256          | 20,000           |
| September 1, 2017   | 12,819       | 12,819          | ---              |
| March 1, 2018       | 32,819       | 12,819          | 20,000           |
| September 1, 2018   | 12,381       | 12,381          | ---              |
| March 1, 2019       | 32,381       | 12,381          | 20,000           |
| September 1, 2019   | 11,944       | 11,944          | ---              |
| March 1, 2020       | 31,944       | 11,944          | 20,000           |
| September 1, 2020   | 11,506       | 11,506          | ---              |
| March 1, 2021       | 31,506       | 11,506          | 20,000           |
| September 1, 2021   | 11,069       | 11,069          | ---              |
| March 1, 2022       | 31,069       | 11,069          | 20,000           |
| September 1, 2022   | 10,631       | 10,631          | ---              |
| March 1, 2023       | 30,631       | 10,631          | 20,000           |
| September 1, 2023   | 10,194       | 10,194          | ---              |
| March 1, 2024       | 30,194       | 10,194          | 20,000           |
| September 1, 2024   | 9,756        | 9,756           | ---              |
| March 1, 2025       | 29,756       | 9,756           | 20,000           |
| September 1, 2025   | 9,319        | 9,319           | ---              |
| March 1, 2026       | 29,319       | 9,319           | 20,000           |
| September 1, 2026   | 8,881        | 8,881           | ---              |
| March 1, 2027       | 28,881       | 8,881           | 20,000           |
| September 1, 2027   | 8,444        | 8,444           | ---              |
| March 1, 2028       | 28,444       | 8,444           | 20,000           |
| September 1, 2028   | 8,006        | 8,006           | ---              |
| March 1, 2029       | 28,006       | 8,006           | 20,000           |
| September 1, 2029   | 7,569        | 7,569           | ---              |



**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

| <u>Payment Date</u> | <u>Total</u>       | <u>Interest</u>  | <u>Principal</u> |
|---------------------|--------------------|------------------|------------------|
| March 1, 2030       | 27,569             | 7,569            | 20,000           |
| September 1, 2030   | 7,131              | 7,131            | ---              |
| March 1, 2031       | 27,131             | 7,131            | 20,000           |
| September 1, 2031   | 6,694              | 6,694            | ---              |
| March 1, 2032       | 26,694             | 6,694            | 20,000           |
| September 1, 2032   | 6,256              | 6,256            | ---              |
| March 1, 2033       | 26,256             | 6,256            | 20,000           |
| September 1, 2033   | 5,819              | 5,819            | ---              |
| March 1, 2034       | 25,819             | 5,819            | 20,000           |
| September 1, 2034   | 5,381              | 5,381            | ---              |
| March 1, 2035       | 25,381             | 5,381            | 20,000           |
| September 1, 2035   | 4,944              | 4,944            | ---              |
| March 1, 2036       | 24,944             | 4,944            | 20,000           |
| September 1, 2036   | 4,506              | 4,506            | ---              |
| March 1, 2037       | 24,506             | 4,506            | 20,000           |
| September 1, 2037   | 4,069              | 4,069            | ---              |
| March 1, 2038       | 24,069             | 4,069            | 20,000           |
| September 1, 2038   | 3,631              | 3,631            | ---              |
| March 1, 2039       | 23,631             | 3,631            | 20,000           |
| September 1, 2039   | 3,194              | 3,194            | ---              |
| March 1, 2040       | 23,194             | 3,194            | 20,000           |
| September 1, 2040   | 2,756              | 2,756            | ---              |
| March 1, 2041       | 23,756             | 2,756            | 21,000           |
| September 1, 2041   | 2,297              | 2,297            | ---              |
| March 1, 2042       | 23,297             | 2,297            | 21,000           |
| September 1, 2042   | 1,837              | 1,837            | ---              |
| March 1, 2043       | 22,837             | 1,837            | 21,000           |
| September 1, 2043   | 1,378              | 1,378            | ---              |
| March 1, 2044       | 22,378             | 1,378            | 21,000           |
| September 1, 2044   | 919                | 919              | ---              |
| March 1, 2045       | 21,919             | 919              | 21,000           |
| September 1, 2045   | 459                | 459              | ---              |
| March 1, 2046       | 21,459             | 459              | 21,000           |
|                     | <u>\$1,423,501</u> | <u>\$657,501</u> | <u>\$766,000</u> |

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

Special Assessment Bonds, Series 2006 - United States Department of Agriculture (Rural Development) No. 2 (92-05).

Purpose: Sanitary Sewer Improvements - Lime Lake/Prattville.

Date of Note: April 13, 2006.

Interest Rate: 4.25% per annum, payable on September 1 and March 1 each year.

Principle Payable: March 1 in accordance with schedule below.

Amount of Issue: \$488,000.

| <u>Payment Date</u> | <u>Total</u> | <u>Interest</u> | <u>Principal</u> |
|---------------------|--------------|-----------------|------------------|
| September 1, 2008   | \$ 9,987     | \$ 9,987        | \$ ---           |
| March 1, 2009       | 21,987       | 9,987           | 12,000           |
| September 1, 2009   | 9,732        | 9,732           | ---              |
| March 1, 2010       | 21,732       | 9,732           | 12,000           |
| September 1, 2010   | 9,477        | 9,477           | ---              |
| March 1, 2011       | 21,477       | 9,477           | 12,000           |
| September 1, 2011   | 9,222        | 9,222           | ---              |
| March 1, 2012       | 21,222       | 9,222           | 12,000           |
| September 1, 2012   | 8,967        | 8,967           | ---              |
| March 1, 2013       | 20,967       | 8,967           | 12,000           |
| September 1, 2013   | 8,712        | 8,712           | ---              |
| March 1, 2014       | 20,712       | 8,712           | 12,000           |
| September 1, 2014   | 8,457        | 8,457           | ---              |
| March 1, 2015       | 20,457       | 8,457           | 12,000           |
| September 1, 2015   | 8,202        | 8,202           | ---              |
| March 1, 2016       | 20,202       | 8,202           | 12,000           |
| September 1, 2016   | 7,947        | 7,947           | ---              |
| March 1, 2017       | 19,947       | 7,947           | 12,000           |
| September 1, 2017   | 7,692        | 7,692           | ---              |
| March 1, 2018       | 19,692       | 7,692           | 12,000           |
| September 1, 2018   | 7,437        | 7,437           | ---              |
| March 1, 2019       | 19,437       | 7,437           | 12,000           |
| September 1, 2019   | 7,182        | 7,182           | ---              |
| March 1, 2020       | 19,182       | 7,182           | 12,000           |
| September 1, 2020   | 6,927        | 6,927           | ---              |
| March 1, 2021       | 18,927       | 6,927           | 12,000           |
| September 1, 2021   | 6,672        | 6,672           | ---              |
| March 1, 2022       | 18,672       | 6,672           | 12,000           |
| September 1, 2022   | 6,417        | 6,417           | ---              |
| March 1, 2023       | 18,417       | 6,417           | 12,000           |
| September 1, 2023   | 6,162        | 6,162           | ---              |
| March 1, 2024       | 18,162       | 6,162           | 12,000           |
| September 1, 2024   | 5,907        | 5,907           | ---              |
| March 1, 2025       | 17,907       | 5,907           | 12,000           |
| September 1, 2025   | 5,652        | 5,652           | ---              |
| March 1, 2026       | 17,652       | 5,652           | 12,000           |
| September 1, 2026   | 5,397        | 5,397           | ---              |
| March 1, 2027       | 17,397       | 5,397           | 12,000           |
| September 1, 2027   | 5,142        | 5,142           | ---              |
| March 1, 2028       | 17,142       | 5,142           | 12,000           |
| September 1, 2028   | 4,887        | 4,887           | ---              |
| March 1, 2029       | 16,887       | 4,887           | 12,000           |
| September 1, 2029   | 4,632        | 4,632           | ---              |

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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**NOTE 7 – LONG-TERM DEBT (CONTINUED)**

| <u>Payment Date</u> | <u>Total</u>     | <u>Interest</u>  | <u>Principal</u> |
|---------------------|------------------|------------------|------------------|
| March 1, 2030       | 16,632           | 4,632            | 12,000           |
| September 1, 2030   | 4,377            | 4,377            | ---              |
| March 1, 2031       | 16,377           | 4,377            | 12,000           |
| September 1, 2031   | 4,122            | 4,122            | ---              |
| March 1, 2032       | 16,122           | 4,122            | 12,000           |
| September 1, 2032   | 3,867            | 3,867            | ---              |
| March 1, 2033       | 16,867           | 3,867            | 13,000           |
| September 1, 2033   | 3,591            | 3,591            | ---              |
| March 1, 2034       | 16,591           | 3,591            | 13,000           |
| September 1, 2034   | 3,315            | 3,315            | ---              |
| March 1, 2035       | 16,315           | 3,315            | 13,000           |
| September 1, 2035   | 3,038            | 3,038            | ---              |
| March 1, 2036       | 16,038           | 3,038            | 13,000           |
| September 1, 2036   | 2,762            | 2,762            | ---              |
| March 1, 2037       | 15,762           | 2,762            | 13,000           |
| September 1, 2037   | 2,486            | 2,486            | ---              |
| March 1, 2038       | 15,486           | 2,486            | 13,000           |
| September 1, 2038   | 2,210            | 2,210            | ---              |
| March 1, 2039       | 15,210           | 2,210            | 13,000           |
| September 1, 2039   | 1,934            | 1,934            | ---              |
| March 1, 2040       | 14,934           | 1,934            | 13,000           |
| September 1, 2040   | 1,657            | 1,657            | ---              |
| March 1, 2041       | 14,657           | 1,657            | 13,000           |
| September 1, 2041   | 1,381            | 1,381            | ---              |
| March 1, 2042       | 14,381           | 1,381            | 13,000           |
| September 1, 2042   | 1,105            | 1,105            | ---              |
| March 1, 2043       | 14,105           | 1,105            | 13,000           |
| September 1, 2043   | 829              | 829              | ---              |
| March 1, 2044       | 13,829           | 829              | 13,000           |
| September 1, 2044   | 552              | 552              | ---              |
| March 1, 2045       | 13,552           | 552              | 13,000           |
| September 1, 2045   | 276              | 276              | ---              |
| March 1, 2046       | 13,276           | 276              | 13,000           |
|                     | <u>\$866,622</u> | <u>\$396,622</u> | <u>\$470,000</u> |

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

**NOTE 8 – CHANGES IN LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended March 31, 2008:

| <u>Type of Debt</u>                     | <u>Balance<br/>April 1,<br/>2007</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance<br/>March 31,<br/>2008</u> | <u>Amounts<br/>Due Within<br/>One Year</u> |
|---|--------------------------------------|------------------|-------------------|---------------------------------------|--|
| Governmental<br>Activities:             |                                      |                  |                   |                                       |  |
| Notes Payable -                         |                                      |                  |                   |                                       |  |
| Fire Truck                              | \$ 38,695                            | \$ ---           | \$38,695          | \$ ---                                | \$ ---                                     |
| <b>Total General<br/>Long-Term Debt</b> | <u>\$ 38,695</u>                     | <u>\$ ---</u>    | <u>\$38,695</u>   | <u>\$ ---</u>                         | <u>\$ ---</u>                              |
| Business-Type<br>Activities:            |                                      |                  |                   |                                       |  |
| Special                                 |                                      |                  |                   |                                       |  |
| Assessment Bond                         | \$ 781,000                           | \$ ---           | \$15,000          | \$ 766,000                            | \$20,000                                   |
| Special Assessment<br>Bond              | <u>479,000</u>                       | <u>---</u>       | <u>9,000</u>      | <u>470,000</u>                        | <u>12,000</u>                              |
| <b>Total Enterprise<br/>Fund Debt</b>   | <u>\$1,260,000</u>                   | <u>\$ ---</u>    | <u>\$24,000</u>   | <u>\$1,236,000</u>                    | <u>\$32,000</u>                            |

**NOTE 9 – ANNUAL DEBT SERVICE REQUIREMENTS**

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2008, are as follows:

| <u>Business-Type Activities</u> |                    |                    |
|---------------------------------|--------------------|--------------------|
| <u>Year Ending</u>              | <u>Principal</u>   | <u>Interest</u>    |
| 2009                            | \$ 32,000          | \$ 53,296          |
| 2010                            | 32,000             | 52,101             |
| 2011                            | 32,000             | 50,716             |
| 2012                            | 32,000             | 49,332             |
| 2013-2017                       | 160,000            | 225,882            |
| 2018-2022                       | 160,000            | 191,258            |
| 2023-2027                       | 160,000            | 156,632            |
| 2028-2032                       | 160,000            | 122,008            |
| 2033-2037                       | 165,000            | 86,958             |
| 2038-2042                       | 167,000            | 51,230             |
| 2043-2046                       | <u>136,000</u>     | <u>14,710</u>      |
| <b>Totals</b>                   | <u>\$1,236,000</u> | <u>\$1,054,123</u> |

**WRIGHT TOWNSHIP**  
**Notes to Financial Statements**  
**March 31, 2008**

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**NOTE 10 – RESTRICTED FUND BALANCE - ROADS**

At March 31, 2008 - \$139,579 is restricted for road work.

**NOTE 11 – OTHER INFORMATION**

**Risk Management**

The government is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2008, the government carried insurance through various commercial carriers, to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

**WRIGHT TOWNSHIP**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For The Year Ended March 31, 2008**

|   | <u>Original<br/>Budget</u> | <u>Amended<br/>Budget</u> | <u>Actual</u>    | <u>Variance With<br/>Amended Budget</u> |
|---|----------------------------|---------------------------|------------------|---|
| <b><u>Beginning of Year Fund Balance</u></b>          | \$292,278                  | \$292,278                 | \$292,278        | \$ ---                                  |
| <b><u>Resources (Inflows)</u></b>                     |                            |                           |                  |   |
| Taxes and Assessments                                 | 121,200                    | 121,200                   | 130,153          | 8,953                                   |
| Intergovernmental                                     | 84,850                     | 84,850                    | 85,997           | 1,147                                   |
| Licenses and Permits                                  | ---                        | ---                       | ---              | ---                                     |
| Charges for Services                                  | 12,350                     | 12,350                    | 13,740           | 1,390                                   |
| Interest  | 3,200                      | 3,200                     | 5,810            | 2,610                                   |
| Other   | <u>3,400</u>               | <u>3,400</u>              | <u>12,362</u>    | <u>8,962</u>                            |
| <b><u>Amounts Available for<br/>Appropriation</u></b> | <u>517,278</u>             | <u>517,278</u>            | <u>540,340</u>   | <u>23,062</u>                           |
| <b><u>Charges to Appropriations (Outflows)</u></b>    |                            |                           |                  |   |
| <b><u>General Government</u></b>                      |                            |                           |                  |   |
| Trustee Board   | 4,845                      | 4,845                     | 4,707            | 138                                     |
| Supervisor  | 5,530                      | 5,530                     | 5,402            | 128                                     |
| Treasurer   | 16,875                     | 16,875                    | 16,029           | 846                                     |
| Assessing   | 16,375                     | 16,726                    | 15,605           | 1,121                                   |
| Clerk   | 12,679                     | 12,719                    | 11,762           | 957                                     |
| Cemetery  | 14,700                     | 14,700                    | 12,398           | 2,302                                   |
| Board of Review                                       | 2,125                      | 1,465                     | 1,043            | 422                                     |
| Building and Grounds                                  | 1,000                      | 1,000                     | ---              | 1,000                                   |
| Other   | 2,100                      | 2,625                     | 2,625            | ---                                     |
| <b><u>Public Safety</u></b>                           |                            |                           |                  |   |
| Fire  | 500                        | 500                       | ---              | 500                                     |
| <b><u>Public Works</u></b>                            |                            |                           |                  |   |
| Road and Maintenance                                  | 124,404                    | 124,404                   | 98,848           | 25,556                                  |
| Sewer/Sanitation                                      | ---                        | ---                       | ---              | ---                                     |
| Street Lights   | 850                        | 850                       | 845              | 5                                       |
| Drains  | 5,760                      | 6,519                     | 6,519            | ---                                     |
| Dust Control Service                                  | 17,250                     | 17,250                    | 17,250           | ---                                     |
| <b><u>Culture and Recreation</u></b>                  |                            |                           |                  |   |
| Library   | ---                        | ---                       | ---              | ---                                     |
| <b><u>Other Functions</u></b>                         | 48,700                     | 46,933                    | 14,626           | 32,307                                  |
| <b><u>Transfer Out</u></b>                            | <u>12,000</u>              | <u>12,000</u>             | <u>12,000</u>    | <u>---</u>                              |
| <b><u>Total Charges to Appropriations</u></b>         | <u>285,693</u>             | <u>284,941</u>            | <u>219,659</u>   | <u>65,282</u>                           |
| <b><u>Ending of Year Fund Balance</u></b>             | <u>\$231,585</u>           | <u>\$232,337</u>          | <u>\$320,681</u> | <u>\$88,344</u>                         |

The notes to financial statements are an integral part of this statement.

**WRIGHT TOWNSHIP**  
**Budgetary Comparison Schedule**  
**Fire & Ambulance Fund (Major Special Revenue Funds)**  
**For The Year Ended March 31, 2008**

|   | <u>Original<br/>Budget</u> | <u>Amended<br/>Budget</u> | <u>Actual</u>    | <u>Variance With<br/>Amended<br/>Budget</u> |
|---|----------------------------|---------------------------|------------------|---|
| <b><u>Beginning of Year Fund Balance</u></b>          | \$179,447                  | \$179,447                 | \$179,447        | \$ ---                                      |
| <b><u>Resources (Inflows)</u></b>                     |                            |                           |                  |   |
| Ambulance & Fire Runs                                 | 43,000                     | 43,000                    | 64,709           | 21,709                                      |
| Interest  | 3,600                      | 3,600                     | 4,300            | 700   |
| FEMA Grant  | ---                        | ---                       | ---              | ---   |
| Contracted Services                                   | 43,440                     | 43,440                    | 48,070           | 4,630                                       |
| Miscellaneous   | ---                        | ---                       | 2,464            | 2,464                                       |
| Transfer In   | 12,000                     | 12,000                    | 12,000           | ---   |
| Contributions Other Governments                       | <u>19,580</u>              | <u>19,580</u>             | <u>19,345</u>    | <u>(235)</u>                                |
| <b><u>Amounts Available for<br/>Appropriation</u></b> | <u>301,067</u>             | <u>301,067</u>            | <u>330,335</u>   | <u>29,268</u>                               |
| <b><u>Charges to Appropriations (Outflows)</u></b>    |                            |                           |                  |   |
| <b><u>Public Safety</u></b>                           |                            |                           |                  |   |
| Salaries and Wages                                    | 15,000                     | 14,000                    | 13,457           | 543   |
| Billing Service                                       | 5,000                      | 7,112                     | 6,040            | 1,072                                       |
| Operating Supplies                                    | 8,000                      | 8,000                     | 5,609            | 2,391                                       |
| Gas and Oil   | 5,000                      | 5,000                     | 3,440            | 1,560                                       |
| Utilities   | 9,250                      | 9,250                     | 7,683            | 1,567                                       |
| Repairs and Maintenance                               | 60,000                     | 60,000                    | 3,647            | 56,353                                      |
| Insurance   | 16,500                     | 15,500                    | 13,911           | 1,589                                       |
| Licenses & Memberships                                | 500                        | 500                       | 400              | 100   |
| Education & Training                                  | 2,000                      | 2,000                     | ---              | 2,000                                       |
| Reading E.U.-ALS                                      | 10,000                     | 10,000                    | 10,000           | ---   |
| Other   | 1,000                      | 1,000                     | 158              | 842   |
| Capital Outlay  | 24,580                     | 24,580                    | 2,674            | 21,906                                      |
| Debt Service  | <u>39,995</u>              | <u>39,883</u>             | <u>39,883</u>    | <u>---</u>                                  |
| <b><u>Total Charges to Appropriations</u></b>         | <u>196,825</u>             | <u>196,825</u>            | <u>106,902</u>   | <u>89,923</u>                               |
| <b><u>Ending of Year Fund Balance</u></b>             | <u>\$104,242</u>           | <u>\$104,242</u>          | <u>\$223,433</u> | <u>\$119,191</u>                            |

**WRIGHT TOWNSHIP**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**March 31, 2008**

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|                            | <b>Permanent<br/>Fund<br/>Cemetery<br/>Trust</b> | <b>Total<br/>Non-Major<br/>Governmental<br/>Funds</b> |
|----------------------------|--|---|
| <b><u>Assets</u></b>       |  |   |
| Cash                       | <u>\$ 295</u>                                    | <u>\$ 295</u>   |
| <b>Total Assets</b>        | <u>\$ 295</u>                                    | <u>\$ 295</u>   |
| <b><u>Fund Balance</u></b> | <u>295</u>                                       | <u>295</u>  |
| <b>Total Fund Balance</b>  | <u>\$ 295</u>                                    | <u>\$ 295</u>   |

The notes to financial statements are an integral part of this statement.

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**WRIGHT TOWNSHIP**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balance**  
**Non-Major Governmental Funds**  
**For The Year Ended March 31, 2008**

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|   | <b>Permanent<br/>Fund<br/>Cemetery<br/>Trust</b> | <b>Total<br/>Non-Major<br/>Governmental<br/>Funds</b> |
|---|--|---|
| <b><u>Revenue:</u></b>  |  |   |
| Interest  | \$ 1   | \$ 1  |
| <b>Total Revenue</b>  | <u>1</u>   | <u>1</u>  |
| <b><u>Expenditure:</u></b>                                    |  |   |
| General Government  | 58   | 58  |
| <b>Total Expenditure</b>                                      | <u>58</u>  | <u>58</u>   |
| <b><u>Excess of Revenues Over<br/>(Under) Expenditure</u></b> | <u>(57)</u>                                      | <u>(57)</u>   |
| <b><u>Beginning Fund Balance</u></b>                          | <u>352</u>                                       | <u>352</u>  |
| <b><u>Ending Fund Balance</u></b>                             | <u>\$ 295</u>                                    | <u>\$ 295</u>   |

The notes to financial statements are an integral part of this statement.

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# PHILIP R. RUBLEY

– Certified Public Accountant –

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF  
AMERICAN INSTITUTE OF C.P.A.'s  
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

September 25, 2008

Township Board  
Wright Township  
Hillsdale County  
112 Water St.  
Waldron, MI 49288

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wright Township, Waldron, Michigan as of and for the year ended March 31, 2008, which collectively comprise Wright Township's basic financial statements and have issued our report thereon dated September 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we consider Wright Township internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**COMPLIANCE AND OTHER MATTERS**

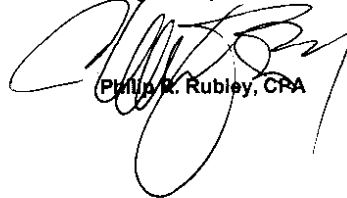
As part of obtaining reasonable assurance about whether Wright Township financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

**Wright Township**  
**September 25, 2008**

We noted certain other matters that we reported to management of Wright Township in a separate letter dated September 25, 2008.

This report is intended solely for the information and use of the Wright Township Management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**Respectfully Submitted,**

A handwritten signature in black ink, appearing to read 'Philip K. Rubley', is written over the printed name. The signature is stylized with a large, looping 'P' and 'R'.

**Philip K. Rubley, CPA**

PRR/cab

# PHILIP R. RUBLEY

– Certified Public Accountant –

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF  
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& THE MICHIGAN ASSOCIATION OF C.P.A.'s

September 25, 2008

Township Board  
Wright Township  
Hillsdale County  
122 Water St.  
Waldron, MI 49288

We have examined the financial statements of the Wright Township, Michigan dated September 25, 2008. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such an evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statement and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2008, that was made for the purpose set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

Statement on Auditing Standards Pronouncement 112 requires us as auditors to communicate what we determine to be significant deficiencies and material weaknesses to management and those charged with governance in regards to internal control matters.

A significant deficiency is a control deficiency or combination of control deficiencies that creates the remote likelihood that a misstatement of the Township's financial statements is more than inconsequential and will not be prevented or detected on a timely basis by employees in the normal course of business.

Based on this criteria the following comments are in this category:

1. **SEGREGATION OF DUTIES**

Because of the size and number of personal segregation of duties is a significant deficiency. These means at the basic level, no single individual should have control over two or more phases of a transaction or operation in the accounting function.

We feel however that because of managements oversight, that this is not a material weakness in the control system.

**OTHER MATTERS FOR CONSIDERATION**

These comments are not significant deficiencies but are suggestions to improve your existing accounting and control systems.

1. **DEPOSIT POLICY**

Consider establishing a policy to deposit funds in more than one bank to obtain additional FDIC insurance and reduce your custodial risk.

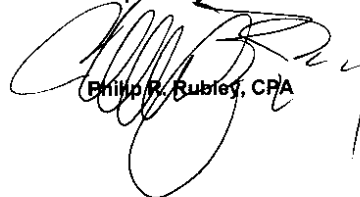
2. **FIXED ASSETS**

Maintain or continue to maintain any deletions of assets or purchases of assets subject to capitalization (over \$1,500.00)

The above mentioned conditions were considered in determining the nature, timing, and extent of audit tests to be applied to our examination of the financial statements, and this report does not modify our report dated September 25, 2008, on such financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Respectfully Submitted,



Philip R. Rubley, CPA

PRR/cab